REMARKS

A. Status of the Application

- Claims 1, 2, 4-7, 17-21, 23-29, 31 and 33 are pending in the application, of which claims 1 and 20 are independent claims.
- Claims 1, 2, 4-7, 17 and 31 have been amended.
- Claim 33 is a new claim. No new matter has been introduced.
- Claims 30 and 32 have been cancelled. Claims 3, 8-16 and 22 were previously cancelled.

All amendments are supported by the application and claims as originally filed. No new matter has been added.

Accordingly, entry of the amendments is respectfully requested. Applicant has amended the claims to recite particular embodiments that Applicant, in his business judgment, have determined to be commercially desirable at this time. The claim amendments have not been submitted for any reasons relating to patentability. No new matter has been added.

B. Claim Rejection Under 35 U.S.C. § 103

On page 3, the Office Action rejected claims 1, 2, 4 to 7, 17-21 and 23-32 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,946,667 ("Tull") in view of U.S. Patent No. 6,601,044 ("Wallman") and U.S. Patent No. 7,249,075 ("Altomare"). However, the Office Action has not made a *prima facie* showing that any of Applicant's claims are obvious.

1. *Certain Limitations are Not Disclosed in Tul, Wallman and Altomare*

The following limitations of independent claims 1 and 20 are neither disclosed or suggested by the prior art:

> *selecting, based on the at least one risk/return preference, a plurality of instruments, in which the plurality of instruments comprises:*
>
> *(i) a first financial instrument of a first type that comprises an intellectual property right; and*
>
> *(ii) a second financial instrument of a second type, in which the second type that differs from the first type.*
>
> *storing the selected plurality of instruments in an investment trust…*

(emphasis added).

Tull is directed at a system for implementing and controlling a debt instrument that is traded as a listed security. *See, e.g.,* Tull, Abstract. The debt instrument is based on underlying baskets of shares that are optimally selected. *See, e.g.,* Tull, col. 4, lines 7-9. Different series of the debt instruments are issued, and each of the series tracks the performance of a domestic or foreign capital market over a period of time. *See, e.g., id.* at col. 4, lines 10-12.

Nowhere in the cited-portions of Tull is there a teaching or a suggestion of an investment trust that comprises two *different* types of financial instruments. Moreover, there is no discloses or suggestion, whatsoever, that one of the types of financial

instruments is an "intellectual property right." Instead, the cited-portions of Tull refer only to a *single* type of financial instrument, e.g. a debt instrument.

Furthermore, the cite-portions of Tull also fail to disclose "*tracking… a performance of the investment trust and a performance of each of the selected plurality of instruments,*" as recited by independent claims 1 and 20.

At best, the cited-portions of Tull describe:

> … a system and method for optimized selection of shares the performance of which is designed to ***track the performance of the related equity index*** over a limited period of time.

<u>*See* Tull, col. 3, lines 23-25 (emphasis added)</u>.

An "index" is defined as a method of measuring a section of the stock market. For example, the Standard & Poor's 500 is one of the world's best known indexes, and is the most commonly used benchmark for the stock market. <u>*See* Investopedia available at http://www.investopedia.com/terms/i/index.asp (July 27, 2009).</u> The term "index" does not refer to individual financial instruments.

Thus, Tull's description of tracking the performance of a "related equity index" does not disclose or suggest, in any way, the act of "tracking a performance of an investment trust" nor "tracking the performance" of each individual financial instruments of the investment trust.

Neither do Wallman nor Altomare supply these deficiencies.

When a claim recites a limitation that is absent from the art, the claim is not obvious. MPEP §2143.03; *Motorola v. Interdigital Technology Corp.*, 121 F.3d 1461, 1466-67, 43 USPQ2d 1490, 1490-91 (Fed. Cir. 1997) (reversing a jury verdict of obviousness because an element was not taught in the particular art relied upon, even

though that element was known elsewhere). Therefore, the Office Action fails to make a *prima facie* showing of obviousness for claims 1 and 20.

2. *There is No Substantial Evidence of Motivation to Modify and No Reasonable Expectation of Success*

The alleged motivation proffered by the Office Action for modifying Tull to include the limitations of Wallman has no basis in the reference. Instead, the Office Action merely provides a general, sweeping and inappropriate assertion of an alleged motivation to modify the Tull reference, without any specific support.

Instead, the Office Action merely states in conclusory fashion, "One would have been motivated to [combine the teachings of Tull and Wallman] in order to ensure that the selected instrument satisfy the investor's risk and return selection or other preferences that the investor may have." In order for the Office Action to make a valid *prima facie* showing, it must provide some actual evidence. As such, Applicant demands that the Office Action provide evidence for the proffered motivation to expand the teachings of the art if the rejections are to be maintained.

Furthermore, the Office Action is silent with respect to reasonable expectation of success—an element required for the showing of any obviousness rejection. MPEP §2143.02. Due to the omission of each of the three essential elements for an obviousness rejection (i.e., claim language, motivation to combine, and reasonable expectation of success), three separate reasons exist for no rejection.

For at least the foregoing reasons, any rejection under §103(a) that may exist (Applicant notes that the Office Action is insufficiently complete to reject any claim) should be withdrawn.

C. General Comments on Dependent Claims

Since each of the dependent claims depends from a base claim that is believed to be in condition for allowance, Applicant believes that it is unnecessary at this time to argue the allowability of each of the dependent claims individually. However, Applicant does not necessarily concur with the interpretation of the dependent claims as set forth in the Office Action, nor does Applicant concur that the basis for the rejection of any of the dependent claims is proper. Therefore, Applicant reserves the right to specifically address the patentability of the dependent claims in the future, if deemed necessary.

D. Authorization for Email Communication

Recognizing that Internet communications are not secure, Applicants hereby authorize the USPTO to communicate with any authorized representative concerning any subject matter of this application by electronic mail. Applicants understand that a copy of these communications will be made of record in the application file.

E. Conclusion

In general, the absence of a reply to a specific rejection, issue or comment does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

In view of the foregoing amendments and remarks, Applicant respectfully submits that the application is in condition for allowance, and such action is respectfully requested at the Examiner's earliest convenience.

Applicants' undersigned attorney can be reached at the address shown below. All communications should be directed to the undersigned at her direct line (857) 413-2056 or e-mail address: rma@cantor.com.

Respectfully submitted,

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